

**STATE OF CALIFORNIA  
REGIONAL WATER QUALITY CONTROL BOARD  
CENTRAL COAST REGION**

**STAFF REPORT FOR REGULAR MEETING OF OCTOBER 23, 2009**

Revised August 13, 2009

**ITEM NUMBER:**       ?

**SUBJECT:   Rescission of Waste Discharge Requirements Order No. R3-2004-105 for  
Class I Wastewater Surface Impoundments for Morro Bay Power Plant,  
Morro Bay, San Luis Obispo County**

**KEY INFORMATION**

Discharger:	Dynegy Morro Bay, LLC
Location:	1290 Embarcadero Road, Morro Bay, CA 93442
Discharge Type:	Hazardous and nonhazardous waste generated primarily from process cleaning, and formerly stored and treated in three surface impoundments
Waste Management Units:	Three hazardous waste surface impoundments
Discharge Volume:	Estimated 890,000 gallons
Present Volume	Unknown; Discontinuous batch discharge
Treatment:	pH adjustment and chemical precipitation and settling
Disposal:	Supernatant eventually discharged to surface water pursuant to National Pollutant Discharge Elimination System (NPDES) permit and treated sludge is sent offsite for disposal and/or recycling
Existing Orders:	Waste Discharge Requirements Order No. R3-2004-105; NPDES Permit EPA Id. No. CA0003743, WDR Order No. 95-28; and Industrial Stormwater Permit Order No. 97-03-DWQ NPDES General Permit No. CAS000001
<b>This Action:</b>	<b>Rescind WDR Order No. R3-2004-105, which includes Monitoring and Reporting Program No. R3-2004-105</b>

**SUMMARY**

On October 22, 2004, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) adopted Waste Discharge Requirements Order No. R3-2004-105, regulating three Morro Bay Power Plant (MBPP) hazardous waste surface impoundments. Dynegy no longer needs the impoundments as part of its operations. Pursuant to California Code of Regulations (CCR) Titles 22 and 23, Dynegy physically removed the waste, decontaminated the impoundments, performed confirmation testing, and reported this clean closure certification to the Department of Toxic Substances Control (DTSC). DTSC, as the lead agency, concurred with Dynegy's clean closure certification on August 15, 2008. Accordingly, Central Coast Water Board staff recommend the Board rescind WDR Order No. R3-2004-105 (Attachment 1).

**DISCUSSION**

Pacific Gas and Electric (PG&E) constructed the MBPP in the early to mid-1950s. PG&E sold MBPP to Duke Energy (Duke) in 1998, who sold it to LS Power in 2006, which merged with Dynegy Inc. (Dynegy) in 2007. In 1985, PG&E applied to the EPA and California Department of

Health Services (DHS), which is now DTSC, for impoundment permits, which were originally issued in June 1988 and renewed/revised as necessary. The impoundments are also subject to CCR Title 23, Division 3, Chapter 15, which authorized waste discharge requirements. The Toxic Pits Cleanup Act of 1984 allowed continued operation and exemption of the impoundments if MBPP added double liners and LCRS. In 1988, PG&E retrofitted the impoundments with triple liners with leachate collection and removal systems (LCRS) below each of the upper two and a groundwater collection and removal system below the lowest.

MBPP operators formerly stored and treated hazardous wastes (because of high metals concentrations and/or high or low pH) generated primarily by process cleaning as part of power plant operations. Wastes were treated in the impoundments primarily by pH adjustment, precipitation and settlement. Clean supernatant was discharged to the plant surface water discharge system under NPDES Permit EPA Id. No. CA0003743, WDR Order No. 95-28 and sludge was disposed offsite. WDR Order No. R3-2004-105 requires aspects of the impoundments and impoundment operations to prevent and detect waste discharges to the environment.

In 2006, LS Power decided to close the impoundments because they were no longer needed. Dynegy clean closed the impoundments after: a) reviewing subsurface soil, groundwater, waste stream and operations characterization and operations data; b) removing all remaining wastes; and c) decontaminating and testing pipelines, appurtenances and impoundments. Dynegy reported in-place closure to both DTSC and Central Coast Water Board. DTSC, as the lead agency, conditionally concurred with the closure and allowed the Hazardous Waste Facility Permit to expire. Portable tanks and transportable treatment units will serve the impoundment function, if needed. Dynegy is retaining and maintaining existing groundwater monitoring wells for possible future utility. In the future, the impoundments are expected to only contain rainwater until it is discharged pursuant to Dynegy's Industrial Stormwater Permit Order No. 97-03-DWQ, NPDES General Permit No. CAS000001. Dynegy will manage the impoundments for health and safety, nuisance, wildlife, etc. protection pursuant to internal operating procedures.

## **COMMENTS AND RESPONSES**

On June 17 and July 13, 2009, Dynegy published and mailed notice of impoundment clean closure in place and public notice that the Central Coast Water Board would rescind WDR R3-2004-105 at its regularly scheduled meeting on September 11, 2009. Because of the state mandated furloughs, the public hearing for this action is postponed to October 23, 2009.

Central Coast Water Board staff posted the Staff Report, WDR Order No. R3-2004-105, and MRP No. R3-2004-105 on our internet website and State Water Resources Control Board's Geotracker website on August 13, 2009. In addition, Central Coast Water Board staff notified the public and other interested parties about the change in meeting date and directed these parties to the agenda items available on the internet and at the Central Coast Water Board office. Central Coast Water Board staff also notified the public and interested parties that public comments on the proposed order and monitoring program should be submitted by September 14, 2009, when the public comment period ends.

## **RECOMMENDATION**

Rescind Waste Discharge Requirements Order No. R3-2004-105, which includes Monitoring and Reporting Program No. R3-2004-105.

**ATTACHMENTS**

1. Waste Discharge Requirements Order No. R3-2004-105.
2. Monitoring and Reporting Program Order No. R3-2004-105.

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